

Outcomes Pharmaceutical Health Care® wishes to express sincere thanks to the Co-Chairs of the Interim Committee and its members for the opportunity to submit the following testimony.

Medication Waste Reduction through Medication Therapy Management (MTM)

As new and innovative medications have been introduced, more prescribers are turning to medication as their primary treatment approach. However, as drug prescribing has increased, so have the costs associated with Medication Waste. Medication Waste has become a significant cost center for most employer, insurer, and government-sponsored health plans, accounting for over 60% of all medication-related expenses. Medication Waste occurs whenever a high cost medication is used when a lower cost alternative was available, a patient is non-compliant with their prescribed regimen, a patient requires additional medical treatment due to a side effect/reaction, or a medication fails to achieve the intended results. Although community pharmacists have historically been utilized primarily for drug distribution and dispensing services, medication therapy management (MTM) services evolved in the 1990s as a means for pharmacists to assist prescribers and patients in managing the clinical and economic outcomes of drug therapy to reduce Medication Waste. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA 2003) and the subsequent implementation of Medicare Part D in January 2006, for the more than 20 million Medicare beneficiaries enrolled in the Part D benefit, formalized MTM services for a subset of high-cost patients. Results of several MTM programs demonstrate pharmacists are well-positioned to provide MTM services and are effective at reducing medication costs, improving adherence rates, and resolving medication-related problems.

Evidence of MTM Program Effectiveness

Background

Founded in 1999 and based in Des Moines, Outcomes Pharmaceutical Health Care is the national leader in MTM services. The company has built a nationwide network of Personal Pharmacists™ that deliver MTM services to covered members.

The Outcomes® approach is simple:

- We contract with sponsors to cover MTM on behalf of one or more members
- We compensate local Personal Pharmacists for the delivery of these services
- We document and report the value of these services to contracted sponsors

To be eligible to provide these MTM services and receive professional fees, pharmacists must complete the one-hour Outcomes Personal Pharmacist training program free of charge and a Network Participation Agreement for their pharmacy. No additional training is required.

Economic Outcomes

A typical Outcomes client experiences an annual overall Return on Investment (ROI) of **\$4.73 for every \$1** spent on the program. More specifically, for every \$1 spent the client realizes **\$1.87 in drug product cost savings** alone.

Centers for Medicare and Medicaid Services (CMS) Exploratory Research on MTM

During 2007–2008 Abt Associates, Inc., on behalf of CMS, reviewed 59 publications about Medication Therapy Management (MTM), interviewed 60 individuals from 46 different organizations, and conducted four in-depth case studies. Outcomes Pharmaceutical Health Care was selected as one of the four in-depth case studies and appears as Program D in the final report published by CMS on July 8, 2008. A summary of program trends is below:

- 3.2 interventions per patient per year
- Average Estimated Cost Avoidance (ECA) per claim:
 - 2000-2002: <\$50
 - 2006: \$450
- 45% of Comprehensive Medication Reviews (CMR) led to additional interventions
 - 90% prescriber acceptance of pharmacist recommendations
 - \$735 ROI per CMR that resulted in additional interventions
 - 10% of interventions may have prevented an ER visit or worse

Outcomes requests the Committee's consideration in supporting insurance coverage of Medication Therapy Management services.

Contact Information

Outcomes and their experienced staff would like to serve as a resource to the Legislature, Executive Branch and the proposed MTM advisory committee to assist in creating an MTM program that is reasonable and effective for Iowa. Outcomes can offer expertise in this field as it is the national leader in medication therapy management and has a documented record of success. In addition, Outcomes staff is easily accessible to the statehouse due to the headquarters location in downtown Des Moines.

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